



The Agenda

Retirement Pension Committee
November 10, 2011
3:30 PM

CALL TO ORDER

CONSENT AGENDA

Approval of Minutes – 8/11/11

OLD BUSINESS:

- Core Bond SAGIC Rate – 4.20%
- QDRO – Qualified Domestic Relations Orders further discussion (fees, administration)

NEW BUSINESS:

- Investment Performance Review – Morgan Stanley Smith Barney
- Quarterly Review

ADDITIONAL ITEMS

- Next scheduled Pension Board Meeting February 9, 2012– at 3:30pm

ADJOURNMENT

Retirement Pension Committee

Allen McCarty, Chairman - Jack Krakeel, Vice Chairman
Connie Boehnke, Wayne Hannah, Allen McCullough, Tony Parrott

Staff Members

Lewis Patterson, Lori Smith

Meeting Location

Commissioners Conference Room
Administrative Complex
140 Stonewall Avenue
Fayetteville, GA 30214



Minutes
Retirement Pension Committee
August 11, 2011
3:30 P.M.

The Retirement Pension Committee met on August 11, 2011 at 3:30p.m. in the Commissioner's meeting room of the Fayette County Administrative Complex, 140 Stonewall Avenue, Fayetteville, Georgia.

Committee Present: Allen McCarty, Commissioner
Jack Krakeel, County Administrator
Connie Boehnke, Human Resources Director
Allen McCullough, Fire & EMS Director
Tony Parrott, Director of Water System
Wayne Hannah, Sheriff

Committee Absent:

Staff Present: Lewis Patterson, Assistant Human Resources Director
Lori Smith, Benefits Administrator

Retirement Representatives Present:

Jim Fallon, Senior Vice President, Morgan Stanley
Neal Kaplan, CFA Financial Advisor, Morgan Stanley
Chad Smith, Business Partner, Morgan Stanley
Darryl Hicks, Morgan Stanley

Call to Order - Commissioner McCarty called the meeting to order.

Approval of Minutes - The meeting minutes for 5/12/11 were approved. Jack Krakeel made the motion to adopt the minutes and Wayne Hannah seconded.

Old Business:

Core Bond SAGIC Rate

Jim Fallon reviewed the Core SAGIC Bond Rate of 4.25% with the committee. This was for the third quarter July 1, 2011 through September 30, 2011.

Publicizing Quarterly Pension Meetings

Connie Boehnke stated that we have been advertising our Quarterly Pension Meetings. She stated that communication with Stuart Baesel and Jim Fallon denoted that it was unclear as to whether advertising the meetings are required. She went on to say that just to be on the safe side, we are advertising the meetings on the web and to the employees on the employee self service. Jim Fallon stated that this would be adequate and that there is no requirement to put announcements in the paper.

New Business:

New Business Partner – Morgan Stanley Smith Barney – Chad Smith

Jim Fallon, Morgan Stanley Smith Barney, introduced new Associate Vice President Chad Smith.

Request approval for Mass Mutual to take on administrative review of QDRO – Qualified Domestic Relations Orders

Connie Boehnke explained that qualified domestic relations orders are in the event of a divorce. What is occurring is that employees are coming in with the orders with expectation to receive their share of the money in the employee's retirement plan. QDRO is a legal document that has to be prepared by an attorney and can become challenging from time to time. She stated that in talking to Shaundi Bauer with Mass Mutual, that they will administer the QDRO at no fee to the county. However, there is a fee involved for the employee and the spouse for both the 401 and 457 plans.

Jack Krakeel asked to clarify if the employee had an option of who completes the QDRO agreement. Connie Boehnke stated that, with Mass Mutual's review of the QDRO document, it would insure that the document is legal. Jim Fallon stated that there are several components to paying out a QDRO.

Investment Performance Review – Morgan Stanley Smith Barney – Chad Smith

Chad Smith reviewed the economic issues and implications of the US market in regards to credit worthiness and other global issues that affect the stock market. He stated that the second quarter had moderate economic growth. He stated that one of the major concerns was the balance of US government debt saying that we have actually been here before during post World War II. One of the concerns is the US going into default because of the debt limits. What has transpired is that the US did not default – the debt ceiling was raised. As was anticipated, S & P cut US credit rating.

Some of the issues concerning the S & P downgrade is that it would cause forced selling with all kinds of pension plans and investment bodies which could very well be problematic and cause an adverse effect with the economy in regards to interest rates, etc.

Since the downgrade, we have seen a massive move into US treasuries. Yesterday, the US Treasury auctioned \$75 billion of treasure securities – 10 year notes. It was over-subscribed by a factor of 3 1/2 to 1 and the demand was outrageous and the yield was 2.14% – a new record low.

Over all, in general, there is a lot of fear without the understanding of the natural facts. Our view is that this is actually more than extreme forced selling type of situations based on a lot of that fear.

It is not like the 2008 event which was an absolute complete dismantling and crumbling of the credit markets. We got to the point where overnight banking and lending was shut down because nobody trusted each other. That is not going on today. There have been slight hints of that in Europe but that is not going on in the banking system and there are ways of tracking that. Actually it is opposite of the case, there are massive amounts of liquidity that has not yet matriculated into the economy and there is an ample reserve for the banking system as well as the economy globally.

Jack Krakeel stated that the fundamental problem is that we are all faced with the uncertainty and not having knowledge of what is truly going on in Europe. Until we have some clear data, we are probably going to continue to see a slope in the economy.

Morgan Stanley Investment 2nd Quarter Review 2011

Neal Kaplan reviewed the 2nd quarter 2011.

Market Highlights:

- During the second quarter, the Dow Jones Industrials was up 1.4%.
- S & P was up 1/10th of a percent
- The bond market rose 2.3%

Fayette County 401(a) Plan Highlights:

- The Fayette County 401(a) portfolio increased approximately 0.82% during the quarter ending June 30. The gain was about 0.28% better than the benchmark gain of 0.54% on a weighted average over the same period.
- The Asset Allocation Funds, Core Bond Sagic, Small Cap and International funds all outperformed their respective benchmarks during the quarter.

Fayette County 457(b) Plan Highlights:

- The Fayette County 457(b) portfolio increased approximately 0.74% during the quarter ending June 30. This gain was 0.29% better than the benchmark gain of 0.45% on a weighted average over the same period.
- The Asset Allocation Funds, Core Bond Sagic, Small Cap and International funds all outperformed their respective benchmarks during the quarter.

Neal Kaplan then reviewed the following:

- Fayette County Plan Diversification
Current Investment options
- Fayette County Plan Relative Performance
- Fayette County Plan Report Card
- Fayette County Plan Watchlist
The T. Rowe Price Global Technology Fund was removed from the watchlist because of performance and improved Report Card scores. No other funds

scored below acceptable levels and no further action is indicated at this time.

Allen McCarty asked if there would be an option to combine our defined benefit plan, 401(a) and 457(b) plans.

Jack Krakeel stated that would be a Board decision.

Jim Fallon stated that he contacted Kurt Nesheim with Mass Mutual in reference to the QDRO clarification. He stated that Kurt said that there was an outside arrangement with a firm that Mass Mutual outsources to review QDRO's.

Jim Fallon made a recommendation to precede allowing Mass Mutual to handle QDRO paperwork, with the caveat of getting a 100% clarity from them of what the options are.

Allen McCullough asked if the summary reports of our quarterly meetings are available to our employees on the website. Connie Boehnke responded that it is already on the website.

Jack Krakeel also stated that it is posted along with the meeting minutes from the previous meeting and agenda with supporting documentation for each meeting.

Jack Krakeel made a motion to allow Mass Mutual to serve as the administrator for the QDRO requirements with the caveat as stated. Allen McCarty seconded the motion. The motion was approved.

Jack Krakeel commended Jim Fallon and his staff for keeping us apprised at what is happening in the market by giving us the analysis and the expertise so that a rational decision can be made in what is taking place.

Jack Krakeel made the motion to adjourn. Connie Boehnke seconded the motion.

The next meeting was set up for November 10, 2011.

Adjournment

Minutes prepared by Lori Smith,
Benefits Administrator

The minutes were duly approved at an official meeting of the Retirement Pension Board of Fayette County, Georgia held on _____.

Lori Smith, Benefits Administrator

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Economic Highlights

- In its September 29 update, the Department of Commerce estimated that Gross Domestic Product grew at an annual rate of 1.3% in the second quarter of 2011, in comparison with 0.4% in the first quarter of 2011. Both Morgan Stanley and Citi economists forecast that U.S. GDP will grow 1.7% in 2011.
- For the quarter, the seasonally adjusted unemployment rate fell from 9.3% for July to 9.1% for September. The slight increase in employment was caused by the return to work in August of 45,000 striking telecommunications workers. Job gains in the quarter took place in construction, health care, and professional and business services. Government jobs continued their downward trend.
- According to the most recent estimate from the Commerce Department, corporate profits rose 3.3% between the first quarter of 2011 and the second quarter of 2011, and rose 8.5% between the second quarter of 2010 and the second quarter of 2011.
- Inflation remained low in the U.S. According to the Bureau of Labor Statistics, the seasonally adjusted Consumer Price Index rose 0.5% in July and 0.4% in August. Both Morgan Stanley and Citi economists expect an inflation rate of 1.6% for 2011.

Economic Highlights

- The Census Bureau reported that privately owned housing starts in August 2011 were at a seasonally adjusted annual rate of 571,000—5.0% below the revised July estimate, and 5.8% below August 2010 housing starts. Most experts agree that uncertainties about the economy and expectations of ongoing declines in house prices continue to weigh down demand for new homes.
- The Census Bureau also reported that seasonally adjusted retail and food services sales were unchanged between July and August, but increased 7.2% between August 2010 and August 2011.
- In September, the Institute for Supply Management's manufacturing-sector index ("PMI") was 51.6, up 1.0 from August, and up from July's 50.9. PMI has been above 50 for 26 consecutive months, and above 42 for 28 consecutive months.
- The ISM Nonmanufacturing Index ("NMI") fell 0.3 points to 53.0 between August and September, but rose 0.6 between July and August. The index has now been above 50 for twenty-two consecutive months. Generally speaking, a PMI or NMI over 50 indicates that the sector is expanding, and a PMI over 42 indicates that the overall economy is expanding.

Equity Market Highlights

- For the third quarter, the Dow Jones Industrials were down 11.5%, the NASDAQ Composite declined 12.9%, and the S&P 500 lost 13.9%.
- Nine out of ten sectors of the S&P 500 Stock Sectors fell for the quarter. Utilities fared the best, with a 1.6% gain. Consumer Staples showed a comparatively small drop of 4.2%. Information Technology and Telecommunications Services also fell moderately, losing 7.7% and 8.0%, respectively. Financials and Materials were the laggards, down 22.8% and 24.5%, respectively.
- Equity investors grew agitated during the third quarter, according to the CBOE VIX volatility index, the so-called “fear index.” Concerns about the global economy, the European sovereign debt crisis, continued high U.S. unemployment, the U.S. debt-ceiling debate, and the downgrade of the U.S. sovereign rating caused the VIX to register the largest quarterly increase in its history, rising 160% to 42.96. This level has been surpassed just 3% of the time in the past 20 years.

Equity Market Highlights

- On August 4 to 8, the VIX experienced its largest three-day increase ever. It closed during that period at a 29-month high of 48. The index hovered above 30 for 41 days through the end of the quarter. Analysts suggest that such levels can occur prior to stock rebounds.
- In a quarter of minimal growth, stocks of large-capitalization companies outperformed stocks of mid- and small-cap companies. The Russell 1000 index, a large-cap index, fell 14.7% for the quarter. In comparison, the Russell 2000 index, a small-cap index, fell 21.9% for the third quarter. The Russell Midcap index declined 18.9% for the quarter.
- Although the third quarter was challenging for both value- and growth-style stocks, growth stocks fared slightly better. Growth stocks often outperform as the pace of earnings growth moderates. The large-cap Russell 1000 Value index fell 16.2% for the quarter, while the Russell 1000 Growth index fell 13.1% for the quarter. The Russell Midcap Value index fell 18.5% for the quarter, while the Russell Midcap Growth index fell 19.3% for the quarter. In small caps, the Russell 2000 Value index fell 21.5% for the quarter, while the Russell 2000 Growth index also fell steeply for the quarter.

Bond Market Highlights

- As U.S. economic data and European sovereign debt worries worsened in the third quarter, investors shopped for safe havens among bonds.
- Investors flocked to Treasury bonds, in particular, in the third quarter. This flight to safety sparked a strong Treasurys rally. Treasurys that mature in 10 or more years rose in price, while yields fell to historic lows. The yield on 30-year Treasury bonds fell to 2.9% at the end of the quarter, which represents the best quarterly return on Treasurys since the end of 2008, at the peak of the financial crisis.
- At the same time, yields on corporate bonds rose relative to Treasurys, as yields on the latter fell to levels not seen since the 1940s.
- The Barclays Capital U.S. Aggregate Bond index, a general measure of the fixed-income market, rose 3.8% for the third quarter. In contrast, the Barclays Capital High Yield index, a measure of lower-rated corporate bonds, fell 6.1% for the quarter.

Bond Market Highlights

- Investors shook off their wariness of mortgage-backed securities, sending the Barclays Capital Mortgage Backed index up 2.4% for the quarter.
- During the third quarter, investors overlooked the ongoing negative headlines about state and local government finances, which was a boon to the municipal-bond market.
- In addition, the rally in U.S. Treasurys sparked municipal bond price gains. As a result, the Barclays Capital Muni index was up 3.8% for the quarter.

Fayette County 401(a) Plan Highlights

- The Fayette County 401(a) portfolio decreased approximately 7.74% during the quarter ended September 30. This drop was 0.25% worse than the benchmarks' loss of 7.49% on a weighted average basis over the same period.
- All asset classes other than the Core Bond SAGIC posted declines in the third quarter.
- For the trailing twelve months period, fixed income, small cap and the real estate fund all posted investment gains along with the Core Bond SAGIC. From a longer term perspective, all the categories except for international/global realized gains on the three year basis. On the five year basis, international/global, large cap and the real estate fund all posted losses.
- During the quarter, the Core Bond SAGIC, the large cap, mid cap and small cap equity categories all outperformed their respective benchmarks, while fixed income, the asset allocation/target date funds, international/ global and the real estate fund underperformed
- For the one year period ended September 2011, the Fayette County 401(a) portfolio rose 0.52% or 33 basis points more than the benchmark rise of 0.19%. The portfolio underperformed the benchmarks by 0.14% for the three year period, but outperformed by 0.76% over the five year period.

Fayette County 457(b) Plan Highlights

- The Fayette County 457(b) portfolio decreased approximately 8.06% during the quarter ended September 30. This drop was 0.26% worse than the benchmarks' loss of 7.80% on a weighted average basis over the same period.
- All asset classes other than the Core Bond SAGIC posted declines in the third quarter.
- For the trailing twelve months period, fixed income, small cap and the specialty fund group all posted investment gains along with the Core Bond SAGIC. From a longer term perspective, all the categories except for international/global and small cap realized gains on the three year basis. On the five year basis, international/global, large cap and small caps all posted losses.
- During the quarter, the Core Bond SAGIC, the large cap, small cap and specialty fund categories all outperformed their respective benchmarks, while fixed income, the asset allocation/target date funds, international/global and mid caps underperformed
- For the one year period ended September 2011, the Fayette County 457(b) portfolio rose 0.49%, 12 basis points better than the benchmark's rise of 0.37%. The portfolio underperformed the benchmarks by 40 basis points for the three year period but outperformed by 1.08% over the five year period.

Fayette County Plan Diversification

Current Investment Options			
Domestic Equity	Value	Core	Growth
Large	American Century Equity Income Fund	Select Indexed Eqty Fd (Northrn Tr)	American Funds Growth Fund of America
		Henssler Equity Fund	
Medium	Perkins Mid Cap Value Fund	Invesco Mid Cap Core Equity Fund	American Century Heritage Fund
Small	Allianz NFJ Small Cap Value Fund	Invesco Small Companies Fund	Invesco Van Kampen Small Cap Growth Fund
Global/International	Target Date/Asset Allocation	Fixed income	Other
American Funds Capital World Growth and Income Fund Manning & Napier World Opportunities Fund	American Century Livestrong Target Date Funds Oakmark Equity & Income Fund	PIMCO Total Return MassMutual Premier High Yield Fund Core Bond SAGIC	First American Real Estate Securities Fund American Century Utilities Fund Alger Health Sciences Fund T. Rowe Price Financial Services Fund T. Rowe Price Global Technology Fund

Fayette County Plan Highlights

The 401(a) Plan

Investment	\$ Value	% of Portfolio	3rd Qtr	Portfolio			3rd Qtr	Benchmarks		
				1 yr	3 yrs	5 yrs		1 yr	3 yrs	5 yrs
Core Bond SAGIC (60325)	\$ 4,311,275.82	37.24%	1.04%	4.09%	N/A	N/A	0.01%	0.11%	0.20%	1.62%
Large Cap	\$ 2,746,114.55	25.41%	-14.02%	-1.04%	0.32%	-0.76%	-14.41%	1.41%	2.13%	-0.49%
International/Global	\$ 1,057,444.21	10.24%	-20.89%	-11.32%	-1.30%	-1.01%	-17.88%	-6.99%	-0.63%	-2.88%
Asset Allocation/Target Date	\$ 1,073,434.83	9.98%	-12.24%	-0.54%	2.40%	3.29%	-9.17%	0.59%	4.26%	1.81%
Fixed Income	\$ 1,203,490.47	9.92%	-1.25%	0.59%	9.35%	7.27%	3.62%	5.21%	8.10%	6.54%
Mid Cap	\$ 454,807.85	4.79%	-18.70%	-4.64%	0.84%	2.48%	-18.97%	-0.63%	4.38%	0.79%
Small Cap	\$ 489,431.21	4.30%	-13.90%	10.09%	10.78%	4.25%	-21.82%	-3.82%	-0.64%	-1.25%
Nuveen Real Estate Securities Fund	\$ 241,885.96	2.37%	-14.87%	1.18%	0.31%	-0.81%	-14.64%	2.10%	-2.05%	-3.11%
Total	\$ 11,577,884.90		-7.74%	0.52%	1.64%	1.04%	-7.49%	0.19%	1.78%	0.38%

The 457(b) Plan

Investment	\$ Value	% of Portfolio	3rd Qtr	Portfolio			3rd Qtr	Benchmarks		
				1 yr	3 yrs	5 yrs		1 yr	3 yrs	5 yrs
Core Bond SAGIC (60325)	\$ 5,253,158.91	33.25%	1.02%	4.05%	N/A	N/A	0.01%	0.11%	0.20%	1.62%
Large Cap	\$ 4,120,687.01	25.41%	-13.77%	-0.89%	0.35%	-0.65%	-14.54%	1.17%	1.87%	-0.70%
International/Global	\$ 1,261,808.11	10.24%	-20.85%	-11.29%	-1.29%	-1.01%	-17.86%	-6.96%	-0.63%	-2.87%
Asset Allocation/Target Date	\$ 1,559,005.64	9.98%	-11.95%	-0.41%	2.51%	3.15%	-9.20%	0.59%	4.35%	1.87%
Fixed Income	\$ 1,881,083.16	9.92%	-1.31%	0.62%	9.34%	7.23%	3.48%	5.15%	8.19%	6.55%
Mid Cap	\$ 704,410.63	4.79%	-19.31%	-2.70%	2.67%	4.52%	-19.12%	-0.02%	5.18%	1.24%
Small Cap	\$ 636,353.65	4.30%	-15.84%	5.66%	7.05%	3.45%	-21.79%	-3.97%	-0.78%	-1.39%
Specialty	\$ 382,450.23	2.37%	-13.01%	5.16%	7.42%	4.12%	-14.81%	2.87%	6.53%	3.35%
Total	\$ 15,798,957.34		-8.06%	0.48%	2.89%	2.03%	-7.80%	0.37%	3.29%	0.95%

Fayette County Plan Relative Performance

Investment	\$ Value	% of Portfolio	3rd Qtr	1 yr	3 yrs	5 yrs
Invesco Small Companies Fund	\$ 594,860.19	1.98%	9.79%	18.11%	14.92%	6.02%
American Century Equity Income Fund	\$ 952,191.97	3.18%	5.69%	2.13%	3.09%	3.83%
Allianz NFJ Small Cap Value Fund	\$ 347,694.12	1.16%	5.56%	7.13%	6.17%	6.51%
Alger Health Sciences Fund	\$ 175,299.26	0.58%	3.79%	1.66%	-1.67%	-0.01%
Perkins Mid Cap Value Fund	\$ 76,357.72	0.25%	2.52%	-0.75%	N/A	N/A
American Century LIVESTRONG 2045 Portfolio Fund	\$ 2,748.68	0.01%	2.13%	1.47%	-1.51%	-0.15%
American Century LIVESTRONG 2035 Portfolio Fund	\$ 201,214.46	0.67%	2.05%	1.21%	-1.34%	0.00%
Henssler Equity Fund	\$ 2,379,814.40	7.94%	1.33%	-1.39%	-1.94%	1.07%
Core Bond SAGIC (60325)	\$ 9,564,434.73	31.91%	1.03%	3.98%	N/A	N/A
American Century Utilities Fund	\$ 55,772.93	0.19%	0.94%	-2.20%	-4.64%	-2.98%
Premier High Yield Fund (Babson)	\$ 92,942.06	0.31%	0.77%	0.95%	-5.22%	-2.59%
Select Indexed Eqty Fd (Northrn Tr)	\$ 1,751,707.43	5.84%	0.72%	-0.38%	-1.00%	-0.90%
Invesco Mid Cap Core Equity Fund	\$ 579,679.65	1.93%	0.44%	-4.88%	-4.07%	0.87%
T. Rowe Price Global Technology Fund	\$ 130,909.44	0.44%	0.33%	6.38%	6.76%	4.07%
Nuveen Real Estate Securities Fund	\$ 241,885.96	0.81%	-0.23%	-0.92%	2.36%	2.30%
American Century LIVESTRONG 2025 Portfolio Fund	\$ 188,902.71	0.63%	-0.50%	-0.12%	-1.70%	-0.48%
Invesco Van Kampen Small Cap Growth Fund	\$ 183,230.55	0.61%	-0.51%	-1.73%	-2.42%	-0.37%
American Century Heritage Fund	\$ 503,181.11	1.68%	-0.92%	-1.64%	-1.58%	4.69%
American Funds Capital World Growth and Income Fd	\$ 1,104,374.78	3.68%	-1.16%	-4.80%	-0.29%	1.45%
American Funds Growth Fund of America	\$ 1,783,087.76	5.95%	-3.12%	-7.44%	-4.39%	-2.88%
American Century LIVESTRONG 2015 Portfolio Fund	\$ 42,554.41	0.14%	-3.26%	-1.13%	-2.40%	-1.25%
Oakmark Equity & Income Fund	\$ 2,078,141.18	6.93%	-3.39%	-1.30%	-1.81%	1.94%
T. Rowe Price Financial Services Fund	\$ 20,468.60	0.07%	-3.56%	-6.24%	0.28%	-3.33%
Manning & Napier World Opportunities Fund	\$ 1,214,877.54	4.05%	-4.66%	-3.90%	-1.01%	2.24%
Total Return Fund (PIMCO)	\$ 2,991,631.57	9.98%	-4.99%	-4.74%	1.39%	0.80%
American Century LIVESTRONG Income Portfolio Fu	\$ 118,879.03	0.40%	-6.06%	-2.00%	-3.50%	-2.62%

Fayette County Plan Report Card

Fayette County 401 & 457 Plans - Q3 11													
	Style			Risk/Return			Peer Group			Period			
	Style	Style Drift	R ²	Risk / Return	Up / Down	Info Ratio	Return Rank	Info Ratio Rank	Qual.	Score Q3 11	Score Q2 11	Score Q1 11	Score Q4 10
Large Cap Value													
American Century Equity Income A	1	1	1	1	0	1	1	1	2	9	10	9	10
Large Cap Blend													
MassMutual Select Indexed Equity A	1	1	1	1	0	0	1	0	1	6	5	5	5
Henssler Equity	1	1	1	1	0	1	1	1	2	9	7	8	9
Large Cap Growth													
American Funds Growth Fund of Amer R3	1	1	1	1	0	0	0	0	2	6	6	6	6
Mid Cap Value													
Perkins Mid Cap Value S	0	1	1	1	0	1	1	1	2	8	6	6	8
Mid Cap Blend													
AIM Mid Cap Core Equity A	1	1	1	1	0	1	1	1	2	9	7	7	9
Mid Cap Growth													
American Century Heritage A	1	1	1	1	1	1	1	1	2	10	10	10	10
Small Cap Value													
Allianz NFJ Small Cap Value A	0	1	1	1	1	1	1	1	2	9	9	8	8
Small Cap Blend													
AIM Trimark Small Companies A	1	1	1	1	1	1	1	1	2	10	10	10	10
Small Cap Growth													
Van Kampen Small Cap Growth A	1	1	1	1	0	0	0	0	2	6	6	6	6
International - Large-Cap Core													
Manning & Napier World Opportunities A	1	1	1	1	1	1	0	0	2	8	10	10	10

Fayette County Plan Report Card

Fayette County 401 & 457 Plans - Q3 11													
	Style			Risk/Return			Peer Group			Period			
	Style	Style Drift	R ²	Risk / Return	Up / Down	Info Ratio	Return Rank	Ratio Rank	Qual.	Score Q3 11	Score Q2 11	Score Q1 11	Score Q4 10
Global													
American Funds Capital World G/I R3	1	1	1	1	1	1	0	0	2	8	7	8	8
Core Fixed Income													
PIMCO Total Return A	1	1	1	1	1	1	0	0	2	8	9	9	9
High Yield													
MassMutual Premier High Yield A	0	1	1	1	0	0	0	1	2	6	6	6	6
Technology													
T. Rowe Price Global Technology	1	1	1	1	1	1	1	1	1	9	9	9	8
Utilities													
American Century Utilities Inv	1	1	1	1	1	1	1	0	2	9	10	10	10
Real Estate													
First American Real Estate Secs A	1	0	1	0	1	1	1	1	2	8	10	10	10
Health Care													
Alger Health Sciences A	1	1	1	1	1	1	1	1	2	10	9	10	9
Finance													
T. Rowe Price Financial Services	1	1	1	1	1	1	1	1	2	10	10	10	9

Fayette County Plan Watchlist

- There are currently no Funds on the Fayette County Watchlist.
- During the third quarter, no actively managed funds posted scores below the acceptable level of 6.
- Following four quarters at the 6 level and also underperforming the benchmarks, we believe that the board should entertain alternatives to the American Fund Growth Fund of America and INVESCO Van Kampen Small Cap Growth. We will provide potential candidates for consideration at the next meeting.